EXHIBIT O

From: Bill Hwang <bhwang@archegoscapital.com>
Sent: Mon, 20 Apr 2020 11:37:12 -0400 (EDT)
To: Brandon Berger <bberger@archegoscapital.com>; Brendan Sullivan<bsullivan@archegoscapital.com>
Cc: Brendan Sullivan <bsullivan@archegoscapital.com>; David Park<dpark@archegoscapital.com>; Steven Chen <schen@archegoscapital.com>; Paul de Sa <pdesa@archegoscapital.com>; "Anne K. Hierl" <ahierl@archegoscapital.com>; Su Lee <slee@archegoscapital.com>; ArchegosInvest<invest@archegoscapital.com>; ACMConsultants<ACMConsultants@archegoscapital.com>; HubAnalysts Hub<Hubanalysts@hubinvestment.com>
Subject: Re: Nielsen ratings and Viacom SoTP thoughts + Paramount IP

Brendan, Brandon and the media Team.

Thank you for your excellent research about the media industry, Viacom and Discovery. As you some of you know, we recently became a shareholder of Viacom and Discovery. Let me be very clear here, I do share some concerns about them. However, the prices are too cheap and their strategic value is real in my view.

It is GREAT to see the combination of our research both from financial perspective(written by Brendan) as well as industry perspective(written by Brandon). I learned much and these are VERY HELPFUL. I am cc'ing rest of the team.

Two Questions please:

1. Brendan and the team: Can you look into Free Cash flow more closely for Viacom and Discovery?

2. Brandon and the team: On sports, it looks like some sports will be played without physical audiences but with TV audiences. Could you look into this and see what the impact would be please?

On Apr 17, 2020, at 5:35 PM, Brandon Berger <bberger@archegoscapital.com> wrote:

Bill

Building on Brendan's note I wanted to add some advertising industry context to DISCA and VIACOMCBS. I have been doing a lot of work on Discovery, ViacomCBS and the linear TV space with my friends and networks and I am pretty concerned about their future.

Some shifts I am seeing:

<u>Shifting Advertising Dollars</u>

- **COVID is becoming the great accelerator** from linear to digital. Brands and agencies are cutting TV spend by 40% and this will most likely continue through Q3 and Q4. I don't expect linear TV to return to its prior spends.
- **No unique offerings** Media companies can typically attract advertisers with unique programming (ie the upfront – where the best new content is presented), but with no new production or sports the industry will continue to struggle. Discovery will struggle more than some

of the others because they lack the high profile content needed to win in advertisers minds and wallets.

- **The Upfront is over.** *(The upfronts are where brands buy groups of ads in a media company's programming in advance of the market for a larger guaranteed commitment in return for the first choice of shows, spots, inventory and reach along with discounts on pricing)?* Clients are doing everything they can to get out of these established contracts and I don't see them returning to contract based buying for a long time if ever. Clients are all asking to move to a spot market *(buying ads when the brand wants them as an ad needed basis vs being committed to a larger buy).* The upfront for 2021 is effectively over and I have been hearing talks that it will be down moving forward anywhere from 20% to completely finished.
- **CTV and Digital are the future** – Brands want connected TV, Digital, data and the ability to control their buys. That is all they are talking about. Any media company that is not heavily invested in digital and a CTV solution is going to either be overlooked or consolidated. ViacomCBS has Pluto, Showtime and CBS All Access which (aren't the best products) are important for their future, but Discovery doesn't have a real digital play.

<u>Shifting Consumer Dollars</u>

- **Consumer disposable income declines -** As consumer disposable incomes declines, media companies don't have new programming and there is still no sports programming (on an MN call and after speaking to a sports media company they all say that NCAA Football, MLB and Tennis will not happen this year), I would expect to see an acceleration in chord cutting and the unbundling of TV
- **New streaming trials -** AVOD and SVOD (e.g. AVOD is Hulu and Roku whereas SVOD is NFLX) streaming solutions are being tried by more consumers during COVID Stay at Home and I believe that this will drive consumer adoption of these new platforms.
- **Rating Declines** – Both ViacomCBS and Discovery continue to see erosion in ratings even as viewing is up during this current crisis.

<u>Industry challenges</u>

- **Industry layoffs -** Brands and agencies are now going through a round of layoffs and cost cutting. This will require them to do more with less and this new shift will push for more digital driven buys and more technology enabled solutions.
- **Shifting to digital -** Agencies and brands are seeing the current reduction in force as a good time to eliminate roles of executives that have not made the shift to digital – ie those executives that prefer to make a large TV buy on golf course vs a digital buy on a terminal

While as a whole any company that relies on advertising as a revenue model is going to see significant reductions in revenue (and CPMs) during COVID-19 stay at home, but the ones who have strong digital footprints (Data, Subscriptions, CTV, Ad models) will come out on top. To be honest I don't think Discovery has the potential or portfolio of products to end up a winner in this new market, Zaslov is looking to sell it eventually and that's the most likely outcome. ViacomCBS is better positioned than Discovery in the future market.

Happy to discuss. Please let me know if you have any questions.

Have a great weekend!

Thanks

B

From: Brendan Sullivan <bsullivan@archegoscapital.com>
Date: Friday, April 17, 2020 at 4:29 PM
To: Bill Hwang <bhwang@archegoscapital.com>, David Park <dpark@archegoscapital.com>, Steven Chen <schen@archegoscapital.com>, Brandon Berger <bberger@archegoscapital.com>, Paul de Sa <pdesa@archegoscapital.com>, "Anne K. Hierl" <ahierl@archegoscapital.com>, Su Lee <slee@archegoscapital.com>
Subject: RE: Nielsen ratings and Viacom SoTP thoughts + Paramount IP

Bill,

Following up on some additional Viacom thoughts: the value of IP libraries has come into focus more during this time when production has been halted.

One potentially helpful proxy for the value of this, at least on a relative basis, is how much the studios are making on their catalogs currently.

According to the Morgan Stanley models:
Viacom's Paramount generated $788mm of revenue in home video catalog and tv distribution catalog combined. This accounts for 19% of total Paramount sales.
CBS TV Studio generates about $750mm from its library (DVD/VHS and library syndication – this excludes current SVOD deals); this is representative of 21% of total CBS TV Studio Revenue.

By comparison, Disney generates $2.4bn in these categories, or 22% of total studio revenue.

So the allocation to these categories as a % of total revenues is fairly similar for both companies. On $30bn of total enterprise value, this doesn't necessarily move the needle. By comparison, Lions Gate is valued at 1.2x revenue total so it's hard to ascribe far above 1x revenue for the IP alone (again, this is based on what IP they are monetizing, so of course in a very bullish scenario, Disney could do more with their library given their management talent). For Viacom's Paramount, with a sub-10% margin business and little growth, 1x on overall studio revenues doesn't seem unreasonable especially in a world where the Silicon Valley companies are able to spend a lot on their own production. This would place the value of Paramount at $4.5-5bn. Of course, a foreign buyer (like what we saw with Dalian and Legendary Entertainment for $3.5bn) could potentially raise this number.

By comparison, Disney Studios are valued at appx $45bn (14x forward EBITDA and 3.8x revenue with 26% EBITDA margins)

Paramount was last valued in the MS model in Jan at $2.6bn (13x forward EBITDA and 0.6x rev with 5% EBITDA margins) before the covid-virus hit.
CBS TV Studio was last valued in the MS model at $8.5bn (7x forward EBITDA and 2.4x rev with 32% EBITDA margins). It's a well respected studio but, of course faces headwinds.

As of a few years ago, the Paramount lot was estimated to potentially be worth up to $1bn.

<u>To put this in context for valuations (MS valuation is listed first and some of our strategic value thoughts are bolded): we are working on a Very High Conviction memo shortly but wanted to send these thoughts ASAP:</u>
Paramount: $5bn → let's assume **$5bn** (per comments above related to Lions Gate and Disney valuations)
CBS TV Studio: $8.5bn → let's go with **<u>$5bn</u>** to account for tough secular market (despite it being a well-respected studio) at just over 1x rev.
CBS Network + Stations: $10bn → with $8bn of revenue, this could be worth 1x revenue, or **<u>$8bn</u>** given

the secular headwinds and big NFL deal coming up
Showtime: $5bn → with $2.2bn of revenue, 35% margins, and mid-single digit growth with 20mm traditional subs and 6.5mm OTT subs (and 2025 estimates for 12mm traditional and 17mm OTT), let's assume **$4bn**
Viacom Cable Nets: $13.5bn → with $10bn of revenue (split nearly evenly between ad rev and affiliate rev) and 25% EBITDA margins. This business is most at risk and probably shouldn't be worth more than $13.5bn. ESPN is now worth $12bn with $12bn revenue and 31% margins (projected to decline to 12% by 2025). Let's go with **$10bn** for this business.
CBS Interactive (mostly All Access) is valued at about $4bn with $600mm in revenue projected to be $2bn by 2026. No margins now but potentially 20% in the future. Let's assume **$2.5bn**
Other networks (like CW, CBSN and Smithsonian) and publishing get $4.5bn → let's lower this to **$1bn**
Subtract **-$4.8bn** for overhead
Subtract: **-$18bn** of net debt
Equals= $20.65/sh price target, or 30% upside

This is clearly very sensitive to small changes in the revenue turns.

Thanks,
Viacom Team

From: Brendan Sullivan
Sent: Thursday, April 16, 2020 10:49 AM
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Subject: RE: Nielsen ratings

Another question that came up was: what if we extended the ratings to C3 to account for playback (for an additional 3 days)? The rationale for asking this was: you don't need to watch Viacom live but perhaps the ratings look better if we extend the timeframe? We only have March data for this and Viacom was down -15% YoY on a C3 basis. So still not good.

Discovery was down -13% in March on a YoY basis.

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Here's the broadcast net data. CBS is down big because of March Madness, but that's not surprising of course.

Y/Y Growth by Cable Parent	*3/30-4/5*	*4/6-4/12*	*1Q20 Avg. Growth*	*2Q20 Avg. Growth*
Y/Y Growth by Broadcast Network				
ABC	*22%*		*-1%*	*22%*
CBS	*-29%*		*-25%*	*-29%*
FOX	*33%*		*53%*	*33%*

NBC	-4%		-16%	-4%

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Subject: Nielsen ratings

Bill,

I found this very interesting.

We have been talking about how Netflix, Roku, and Disney+ are benefiting from the stay at home effect of the pandemic. Meanwhile, Viacom is still showing ratings declines despite people having more time to watch tv.

As you can see below, Fox News seems to be crushing it in this cycle on a YoY basis (as are all news channels which is also driving Time Warner's results with CNN).

A&E, interestingly, is benefiting from their Lifetime Movie Network channel and A&E network.

Y/Y Growth by Cable Parent	*3/30-4/5*	*4/6-4/12*	*1Q20 Avg. Growth*	*2Q20 Avg. Growth*
A&E	*10%*	*21%*	*-8%*	*16%*
AMCX	*6%*	*8%*	*-22%*	*7%*
DIS	*-18%*	*-18%*	*-19%*	*-18%*
DISCA	*0%*	*8%*	*-18%*	*4%*
FOXA	*91%*	*88%*	*34%*	*90%*
INDY	*-12%*	*-11%*	*-16%*	*-11%*
NBCU	*12%*	*0%*	*-12%*	*6%*
TWX	*24%*	*18%*	*-6%*	*21%*
VIAC	*-3%*	*-3%*	*-14%*	*-3%*